

## **"Discriminated labor" bangs on the government's door**

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After about three weeks of what has become the longest - both in terms of time and the 600-kilometer distance - protest march, miners of the state-owned holding company "Pavlohradvuhillya" from Pavlohrad of the Dnipropetrovsk region arrived to Kyiv to picket the Cabinet of Ministers and the Presidential Administration. The action became a culmination of multiple miners' strikes all over the Ukrainian coal mining area, caused by bad delays of wages and the growing resentment of the failing process of reorganization of the coal industry.

The major miners' strike coincided with similar massive strikes in Russia and, unlike other protests, began at the time of relative slight improvement of the situation in the mining branch, and the growth of coal production. However, although the volume of coal excavated and sold in Ukraine continues to grow, miners do not feel that positive reports can improve their situation and help their poverty-stricken families. While in 1992 miners were the second top-paid category of workers, now they are 17th in the wages ranking, and claim that their standards of living have deteriorated by at least 10 times compared to 1990. The total of miners' unpaid wages amounts to 2.2 billion hryvnias, and the debt continues to grow by about 50 million a month. Currently Ukraine's coal mining industry receives only 30% of the necessary funding. Due to the severe underfunding, a major part of mining equipment is hopelessly outdated and dangerous to use. The deteriorating condition of most of the mines resulted in the growing number of accidents and deaths. According to the State Committee for Labor Protection, 27 miners were killed in May 1998 alone, and 192 since January.

The government asks the miners to wait for about a month until the parliament is through with its organizational routine and ready to engage in its direct lawmaking job. However, the miners are not prepared to wait any longer. According to leader of the Free Trade Union of Miners of Ukraine (NPHU) Mykhailo Volynets, the protest action is going to continue for a long time. "The government says there are no debts to miners. That is lie!!! Even the allocated money exists only on paper," says Volynets. Regardless of whether the government chooses to pay the back wages to miners or not, the protesters demand more than just that. Solution of their problems requires amending of at least three laws: on restructuring of current debts in the mining industry, on social security of miners and on making changes to the 1998 budget. According to Volynets, the authorities do not fully realize how serious the situation is; therefore, there is a need to exert stronger pressure on the government through pickets and strikes, says he.

The Pavlohradvuhillya strike committee called on all Ukrainians, political parties, NGOs and "working collectives" to "express solidarity" and support the action designed to protect the interests and rights of "discriminated representatives of hired labor". So far miners have tried to keep their action as nonpolitical as possible, resisting attempts of individual politicians and political parties to join the process and benefit from its strength. But if the action continues, or resumes after a certain quiet period the government may win provided the miners manage to get their money, their example may be followed by other who may not be as well-organized and determined to keep their protest peaceful. On its way to Kyiv, the miners' column was greeted enthusiastically by local dwellers who gave them food and much needed encouragement. Some of Ukrainians who watch the miners' march emotionally tried to convince them that the only way to solve their problems was to take weapons. So far, the protest has not radicalized. Although aware of close attention of the security services, the miners did not seem to be irritated by the fact, and even thanked the road police for accompanying the column on its way to Kyiv. Although it is still unlikely that the process may grow into overt massive confrontation, the government's advice to miners to ask their managers where the money has gone may encourage miners to take radical actions that may result in the use of force by mines' administrations, local authorities and law-enforcement bodies.

In order to reduce the tension, Prime Minister Valery Pustovoitenko and First Vice Prime Minister Anatoly Holubchenko met representatives of miners' trade unions and some directors of mining amalgamations. The prime minister and the new Minister of the Coal Mining Industry Serhiy Tulub met the leader of the "official" trade union of miners, and Holubchenko met the leader of the major free trade union of miners to negotiate conditions on which the protesters would agree to stop the strike and

return to their mines. So far, the negotiations showed no significant progress. Arguing that the government did not intend to meet the demands of the striking miners at the expense of other miners, as well as teachers and other public workers, Prime Minister Pustovoitenko claimed that notwithstanding the budget shortages the mining industry received the allocated funds in full. The 1998 budget of the mining industry amounts to 750 million hryvnias, and the government requested the increase of that sum by 400 million. In May 1998, the government used over 20 percent of the budget funds for miners' needs, claimed Pustovoitenko. He announced that the government had been ordered to develop a system that would ensure 100 percent payment of wages to miners from June onwards, and noted that the money would not be taken from the state budget, but earned from sales of coal excavated before. No comments were offered as to what stopped the government from doing that before.

Although the failure to pay wages on time is accounted for by the fact that the coal sales have dropped dramatically, and that consumers - like metallurgical plants - do not pay for coal regularly, the government signed contracts for purchasing 3.9 million tons of coal abroad (in Russia and Poland), regardless the fact that as much as 2.9 million tons of coal were stored undemanded as of the beginning of this strike.

Miners' strikes, "obviously, encouraged by political forces who are planning to make use of them", are only top of the iceberg of problems in the industry, argues Yuly Ioffe, MP and the President's free-lance adviser for the mining industry. The government will not be able to find a solution by means of paying a portion of back wages. Instead, strict control is needed to ensure the best use of state subsidies and prevent diversion of the budget funds and the money obtained from coal sales, he argues. Feeling that control over coal sales is slipping out of its hands, the government resolved to establish a new state-owned corporation, "Vuhillya Ukrainy", ("Coal of Ukraine"). While it is claimed that the new corporation will help to solve the problem of gathering payments for coal, many believe that the "Vuhillya Ukrainy" is likely to become a monopolist in coal sales but will hardly make a significant impact on improving the overall situation in the industry.

Using a chance to demonstrate their solicitude for voters simultaneously with dealing an extra blow to the Pustovoitenko government, in early June the parliament adopted a resolution "On Urgent Measures for Financing the Coal Industry in 1998", introduced by an ad hoc group chaired by Hromada activist Ivan Kyrilenko. By adopting the document, the parliament formally supported the miners' "legitimate actions and demands" and sanctioned the increase of the state subsidies to the mining industry by 600 million hryvnias - which, according to Anatoly Holubchenko, will effectively reduce social payments and contribute to the mounting salary debts. Furthermore, as a result of left-wing MPs' lobbying efforts, the parliament ordered the Attorney General to submit information about the use of loans in the mining branch, and ordered the Security Service to provide the Verkhovna Rada with the information about the amount of metallurgical enterprises' hard currency and securities in foreign banks. Experience with previous resolutions suggests that the above measures - designed, obviously, to fight corruption and misuse of funds - will either be soon forgotten or used to get rid of unwanted officeholders.

While the striking miners continue banging their helmets against the pavements in front of the Cabinet of Ministers and the Presidential Administration, the government is getting ready to negotiate a new multimillion loan with the IMF. In addition to the report about a slight - 0.1 percent - GDP growth, registered in Ukraine for the first time since 1989, the miners' protest may be used as a bargaining tool and an effective illustration to the claim that the government needs more assistance and "international understanding" to prevent socioeconomic destabilization.

It is likely that the miners will get some portion of their wages and will have to go home, while the lack of real reforms in the industry will persist, thus, leaving the grounds for new actions. It is also likely that ex-Minister of the Coal Mining Industry Stanislav Yanko, who had to retire "due to reaching the retirement age" and seven deputy ministers who submitted their resignations, will be the few nomenclatura casualties of this strike - which does not mean that the new minister will ensure there are no more miners on strike rattling their helmets in front of the government's headquarters. However, both the Cabinet's and the Administration's buildings have good soundproof windows.